

# Challenges in real-world impact evaluations: Some learning on costs and timeliness



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## Background

The international development community has witnessed a surge in theory-based evaluations that use impact evaluations (or counterfactuals) to establish the impact of development interventions. Amid this growing interest in using impact evaluations, challenges exist in using these methods for real-world programmes and investments.

### About this paper

The working paper on which this brief is based examines key questions typically associated with conducting impact evaluations in real-world settings. These include costs, complex implementation requirements and the level of policy influence. The paper's analyses provide insights into managing impact evaluations for real-world programmes where the programme and impact evaluation teams are typically different with different objectives and timelines.

Real-world impact evaluations assess and measure the causal change of government, non-government or multilateral assistance programmes in real-world settings, along with their associated political, data, implementation, and resource constraints.

## Method

The increasing use of real-world impact evaluations has not been without its challenges. Often-cited challenges include the cost of conducting rigorous evaluations and delays in completing studies that might potentially miss the window of opportunity for influencing policy.

In determining its response to these challenges, the working paper focuses on four years of impact evaluations financed through the Open Window (OW) funding modality of the International Initiative for Impact Evaluation (3ie).

This is one of few funding modalities that awards study teams for undertaking policy-relevant, real-world impact evaluations, unrestricted by funding size request or by subject area.

As table 1 shows, during the four OWs between 2009 and 2012, 3ie funded 89 impact evaluation grants worth approximately USD 38 million.

To illustrate key learnings in implementing real-world impact evaluations, the working paper draws on these 89 grants to reach the following findings and recommendations.

**Table 1** Number of grant applications received and funded, 3ie Open Window (2009–2012)

	OW1 (EARLY 2009)	OW2 (LATE 2009)	OW3 (2010)	OW4 (2012)	TOTAL
Expressions of interest (EOIs)	n.a.	n.a.	365	634	999
Full proposal received	78*	270*	204	279	831
Selected for panel	37	95	60	66	258
Awarded a grant	17	30	22	20	89
Total budget (USD million)	4.27	15.41	9.44	8.81	37.93

<sup>1</sup> The citation for the IEU working paper discussed in this brief is: Puri, Jyotsna. and Francis Rathinam, (2019). Challenges in real-world impact evaluations: Some learning on costs and timeliness. IEU Working Paper (April 2019). Independent Evaluation Unit, Green Climate Fund. Songdo, South Korea

## Findings

- Real-world impact evaluations experience many obstacles. The costs of these evaluations vary according to the question being asked.
- Many factors delay impact evaluations, including process and political delays, implementation obstacles and the quality of studies, surveys and data analyses, among others.
- Close monitoring of projects and the implementation of impact evaluations can help the projects and impact evaluations.
- Good formative research can reduce risks in exposing critical bottlenecks and unexpected challenges in hypothesized theories of change.
- Building flexibility into grant windows can help funders manage their expectations and ensure teams are protected from reputational concerns.
- Building in a strong financial due-diligence process can help manage cost overruns or underspends.
- Early communication between programme teams and impact evaluation teams is essential.

## Recommendations

It is clear from the paper's analyses that real-world impact evaluations experience many obstacles. Often such obstacles are beyond the control of the evaluation team, the programme team and zie. However, others exist that can be controlled. The working paper discusses changes that zie instituted in its programme monitoring and its technical appraisal of studies to mitigate risks.

**Closer monitoring of projects and impact evaluations** can improve efficacy. In response to the challenges witnessed in its OW grants, zie creates tools that closely monitor and track projects and studies. Its programme management system is also used as a monitoring device. Tranche payments, deliverables and delays are also easily tracked through these tools. zie has also embedded automated reminders into the grant management system.

**Good formative research can help reduce critical bottlenecks** and unexpected challenges in hypothesized theories of change. It can also help understand take-up and the formation of realistic expectations for implementation and field situations. Formative research as a pre-requisite for theory-based real-world impact evaluations can help manage impact evaluations. This research

can also help research teams interact more effectively with project implementation teams.

**Building flexibility into grant windows can help funders** manage their expectations and ensure that teams are protected from reputational concerns. zie builds this flexibility into its grant cycles by introducing letters of variation. These allow for changes in timelines, turn-over among teams, changes in designs, pre-analysis plans and impact evaluation questions. To prevent teams from misusing these allowances, the head of the grant-holding institution must sign the letters of variation.

Despite all these efforts, delays are still likely. In subsequent grant cycles, zie has considered incorporating pre-existing reputations from earlier studies into its assessment of grant applications. It has also considered incorporating penalties and incentives into its grant cycle and including a publicly available dialogue on rating the quality of final reports. While none of these are formalized, the paper encourages similar agencies to consider these suggestions.

**Managing cost overruns or underspends can be achieved** through strong financial due diligence. On average, zie grants faced only a minor underspend. This was due to a rigorous budget review process where personnel, surveys, travel and other costs were benchmarked against past studies. However, there is some variation among these studies. Those with large budgets and very ambitious timelines tend to be inaccurate.

## Conclusion

Real-world theory-based impact evaluations are difficult and complex. They require effort, skill, time, and money. To undertake and manage successful real-world impact evaluations, organizations that undertake and manage them need to innovate and adapt constantly. Organizations need to focus not only on technical quality but should also pay attention to mixing methods while striving for relevance. The focus must also be given to building capacities among a wider cross-section of disciplines and incorporating various methods and approaches.



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